GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Municipal Administration & Urban Development Department – Constitution of Andhra Pradesh Urban Development Fund (APUDF) as a Trust under The Indian Trusts Act 1882 for the development of the urban infrastructure projects in the State – Orders - Issued.

MUNICIPAL ADMINISTRATION & URBAN DEVELOPMENT (UBS) DEPARTMENT

G.O.Ms.No:133 Dated: 24.05.2016

Read

G.O.Ms.No. 132, MA&UD (UBS) Department, dated 24.05.2016.

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ORDER:

In the G.O. 1st read above, Government have issued orders establishing a Joint Venture Company called Andhra Pradesh Urban Infrastructure Asset Management Limited (APUIAML) under the Companies Act, 2013 in collaboration initially with the IL&FS with the objective of attracting investment for financing and management of the urban infrastructure projects in the State. Aims, objectives , scope and constitution of the Joint Venture Viz. Andhra Pradesh Urban Infrastructure Asset Management Limited (APUIAML) are also mentioned broadly in the said G.O.

2. Para 5(a) of the said G.O. stipulates for creation of an Urban Development Fund viz. Andhra Pradesh Urban Development Fund (APUDF) with the objective to lend the finance to the ULBs in developing Urban Infrastructure Projects on commercial or PPP principles .

3. Accordingly, Government hereby approves formation of the Urban Development Fund in the style and name of Andhra Pradesh Urban Development Fund (APUDF). The features of the said Andhra Pradesh Urban Fund in broad are as follows:

1. APUDF will be set up as a separate legal entity, as a Trust under The Indian Trusts Act 1882.
2. APUIAML shall be the Asset Management Company (AMC) to the APUDF.
3. APUDF would be set up with an initial seed corpus to be provided by the GoAP. Subsequently other contributors like domestic and international Banks and financial institutions, private sector arms of Multilateral and bilateral funding Agencies like BRICS Bank, Asian Infrastructure Investment Bank, etc. would be identified by the AMC to provide capital in the form of equity, loans, grants, lines of credit, technical assistance etc.
4. Loan: GoAP provide in-principle approval for the USD 100 million dollar loan from Multinational Bank viz., ADB towards the proposed A.P. Urban Development Fund, which will be managed as decided by the Government.
5. APUIAML will help the state Government to set up, institutionalize and manage APUDF by mobilizing resources from different sources like banks and financial institutions, including private sector arms of multilateral and bilateral agencies like ADB, financial instruments issued in the Capital Markets, by leveraging government grant and other financial assistances. The various sources of funds would be identified by the AMC, wherein they would provide capital

in the form of equity, loans, grants, lines of credit, technical assistance etc. Such resource pool would be deployed in the urban areas on various infrastructure projects including PPP projects.

6. AMC will also help to leverage further resources through Bond issues by ULBs, attracting Private Sector Investment in Urban Infrastructure through PPPs etc. as to help ULBs in unlocking the potential and monetizing their assets and bring financial discipline among the ULBs.
7. GoAP may provide additional funding based on leveraging requirements through the APUFIDC or suitable sources. Such contribution from Government through grants or other schemes may be considered as equity or equivalent into the projects to leverage commercial funding from the market.

4. Government appoints the Chief Secretary as the Chairman of the Governing Body of the APUDF and the Principal Secretary, Municipal Administration &Urban Development Department, the Principal Finance Secretary and the Managing Director, APUIAML as the other members of the Governing Body of the APUDF. Other contributors to the Urban Development Fund may also have representation on the Governing Body based on threshold contributions decided by the Board of Directors of the AMC.

5 The Andhra Pradesh Urban Infrastructure Asset Management Limited is requested to take further necessary action for formation and registration of the Andhra Pradesh Urban Development Fund (APUDF) immediately.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

R.KARIKAL VALAVEN
PRINCIPAL SECRETARY TO GOVERNMENT

To
The Chief Secretary to Government, A.P. Hyderabad.
The Principal Finance Secretary, Finance Department, AP. Hyderabad.
The Principal Secretary to Government, Municipal Administration & Urban Development Department., AP., Hyderabad.
The Chairman, Infrastructure Leasing & Financial Services (IL&FS)Limited, Mumbai.
Copy to:
The Managing Director, APUFIDC Limited, A.P., Hyderabad.
The Director of Municipal Administration, Hyderabad A.P., Hyderabad.
The Engineer- in- Chief (Public Health), A.P., Hyderabad.
The Director of Town and Country Planning, A.P., Hyderabad.
The Managing Director, MEPMA.,AP, Hyderabad.
P.S. to Principal Secretary to Hon'ble C.M., AP, Hyderabad.
P.S. to Chief Secretary to Government, AP, Hyderabad.
O.S.D. to Hon'ble M(MA).AP, Hyderabad.
P.S. to Principal Finance Secretary, Finance Department, AP., Hyderabad.
P.S. to Principal Secretary to Government, MA&UD.,AP, Hyderabad.
Sf/sc

//FORWARDED BY ORDER//

RESEARCH OFFICER